

## ISSUES AND PERSPECTIVES

By Joel M. Herrling

Cayuga Milk Ingredients, LLC will market milk ingredients

# Cayuga Marketing Seeks to Gain Share in Global Dairy Market

Dairy farmers in the Finger Lakes of upstate New York are joining the ranks of the region's agricultural products innovators. The region features wineries where grapes are fermented into award-winning wines that are as good, if not better, than their worldwide competitors, to farmers who have created a niche for products made from Alpaca wool.

Dairy farmers of this region are continuously developing new ideas for their milk. They are innovative, dedicated and progressive dairy business people. One such inspiring group is Cayuga Milk Ingredients, LLC (CMI), which was created on April 24th, 2012 by the collective efforts of the Board of Managers of Cayuga Marketing, LLC and present CEO Kevin Ellis. CMI is comprised of 21 family-owned farms that milk approximately 31,000 cows and employ 600+ workers within the Finger Lakes region. All of the participating farms are located within 40 miles of the City of Auburn.

"The vision truly came from the farmers and the board members who put forth significant time and effort to research the many different product mix and potential partnership options," Ellis said. He was responsible for a high percentage of the leg work

and analysis. "Every member has given insight from their own unique perspectives for the vision and strategy behind this endeavor."

Before the first shovel broke ground on the new milk processing plant, the members of Cayuga Marketing marketed and continue to market raw fluid milk through Dairylea Cooperative in Syracuse, NY. Board members strongly feel that this has been a very beneficial relationship for over 12 years. But the dramatic increase in fuel costs, up 230% from 2000 levels, along with the Federal Order price differentials remaining almost unchanged, has resulted in lower profitability for farmers. This was the major catalyst for the group's focus.

"The board of Cayuga Marketing decided it was in their best long-term interest to have a milk plant in close proximity to the farms in an effort to reduce milk miles and transportation costs," Ellis said.

CMI is developing an approximate 25 acre site at the Cayuga County Industrial Development Agency (CCIDA) Industrial Park, adjacent to the City of Auburn, and located in the Cayuga County Town of Aurelius. Plant construction officially started in October of 2012, and is expected to be completed by July 2014. The state of the art new facility will produce milk protein concentrates and isolates, milk powders, milk powder blends for the global food and nutrition industries, liquid cream, and milk permeate products.

The completion of the 108,000+/- sq. ft. manufacturing facility will ultimately lead to numerous benefits for its members/owners. The primary one is short milk hauls and control over milk receiving. This will enable multiple loads per truck per day.

*Please turn to page 36*



## FYI

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For subcutaneous injection in the posterior aspect of the ear where it attaches to the head (base of the ear) in lactating dairy cattle. For subcutaneous injection in the middle third of the posterior aspect of the ear or in the posterior aspect of the ear where it attaches to the head (base of the ear) in beef and non-lactating dairy cattle. Not for use in calves to be processed for veal.

#### CAUTION

Federal (USA) law restricts this drug to use by or on the order of a licensed veterinarian.

#### INDICATIONS

EXCEDE Sterile Suspension is indicated for treatment of bovine respiratory disease (BRD), shipping fever, pneumonia) associated with *Mannheimia haemolytica*, *Pasteurella multocida*, and *Histophilus somni* in beef, non-lactating dairy, and lactating dairy cattle.

EXCEDE Sterile Suspension is also indicated for the control of respiratory disease in beef and non-lactating dairy cattle which are at high risk of developing BRD associated with *M. haemolytica*, *P. multocida*, and *H. somni*.

EXCEDE Sterile Suspension is also indicated for the treatment of bovine foot rot (interdigital necrobacillosis) associated with *Fusobacterium necrophorum* and *Porphyromonas levis* in beef, non-lactating dairy, and lactating dairy cattle.

EXCEDE Sterile Suspension is also indicated for treatment of acute metritis (0-10 days postpartum) associated with bacterial organisms susceptible to ceftiofur in lactating dairy cattle.

#### CONTRAINDICATIONS

As with all drugs, the use of EXCEDE Sterile Suspension is contraindicated in animals previously found to be hypersensitive to the drug.

#### WARNINGS

**FOR USE IN ANIMALS ONLY. NOT FOR HUMAN USE.  
KEEP OUT OF REACH OF CHILDREN.**

Penicillins and cephalosporins can cause allergic reactions in sensitized individuals. Topical exposures to such antimicrobials, including ceftiofur, may elicit mild to severe allergic reactions in some individuals. Repeated or prolonged exposure may lead to sensitization. Avoid direct contact of the product with the skin, eyes, mouth and clothing. Sensitization of the skin may be avoided by wearing protective gloves.

Persons with a known hypersensitivity to penicillin or cephalosporins should avoid exposure to this product.

In case of accidental eye exposure, flush with water for 15 minutes. In case of accidental skin exposure, wash with soap and water. Remove contaminated clothing. If allergic reaction occurs (e.g., skin rash, hives, difficult breathing), seek medical attention.

The material safety data sheet contains more detailed occupational safety information. To obtain a material safety data sheet please call 1-800-733-5500. To report any adverse event please call 1-800-366-5288.

Intra-arterial injection may occur during administration of EXCEDE Sterile Suspension via middle third of the ear injection or base of the ear injection directed toward the opposite eye. Intra-arterial injection of EXCEDE Sterile Suspension is likely to result in sudden death of the animal.

#### RESIDUE WARNINGS

- Following label use as either a single-dose or 2-dose regimen, a 13-day pre-slaughter withdrawal period is required after the last treatment.
- Following label use as either a single-dose or 2-dose regimen, no milk discard period is required for this product.
- Use of dosages in excess of 3.0 mg CE/lb. (6.6 mg CE/kg) BW or administration by unapproved routes (subcutaneous injection in the neck or intramuscular injection) may cause violative residues.
- A withdrawal period has not been established for this product in pre-ruminating calves.
- Do not use in calves to be processed for veal.

#### PRECAUTIONS

Following subcutaneous injection in the middle third of the posterior aspect of the ear, thickening and swelling (characterized by aseptic cellular infiltrate) of the ear may occur. As with other parenteral injections, localized post-injection bacterial infections may result in abscess formation. Attention to hygienic procedures can minimize their occurrence.

Following injection at the posterior aspect of the ear where it attaches to the head (base of the ear), areas of discoloration and signs of inflammation may persist at least 13 days post administration resulting in trim loss of edible tissue at slaughter. Injection of volumes greater than 20 mL in the middle third of the ear, may result in open draining lesions in a small percentage of cattle.

The effects of ceftiofur on bovine reproductive performance, pregnancy, and lactation have not been determined.

#### ADVERSE EFFECTS

Intra-arterial injection may occur during administration of EXCEDE Sterile Suspension via middle third of the ear injection or base of the ear injection directed toward the opposite eye. Intra-arterial injection of EXCEDE Sterile Suspension is likely to result in sudden death of the animal. During the conduct of clinical studies, there was a low incidence of acute death (see ANIMAL SAFETY) confirmed to be the result of inadvertent intra-arterial injection. No other adverse systemic effects were noted for either the antibiotic or formulation during any of the clinical and target animal safety studies.

#### STORAGE CONDITIONS

Store at controlled room temperature 20° to 25°C (68° to 77°F). Shake well before using. Contents should be used within 12 weeks after the first dose is removed.

#### HOW SUPPLIED

EXCEDE Sterile Suspension is available in the following package sizes:

100 mL vial  
250 mL vial

NADA #141-209, Approved by FDA

www.EXCEDE.com or call 1-866-387-2287

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EXD12041

Distributed by  
Pharmacia & Upjohn Company  
Division of Pfizer Inc, NY, NY 10017

## THE MANAGER

Cayuga Marketing Creates  
Cayuga Milk Ingredients, LLC  
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"The issue we face today is that many milk plants only operate their receiving bays for one shift, which decreases the amount of truck turns. This increases the number of trucks and trailers needed to get milk to these plants," Ellis said.

Other excellent benefits include: possible use of renewable energy in its processes, efficiencies from a new plant, opportunities to differentiate the milk supply, creating another viable long-term market for New York milk and the initial creation of an estimated 55 local jobs. Ultimately the plant will reduce operating costs to the farmers and add value to their raw milk, which will be sold at a premium domestically and internationally.

The members of the Cayuga Marketing board explored many different values and strategies for their milk, such as fluid milk, liquid UF, various cheeses, casein and caseinates. Due to the constraints of limited capital, a long distance from metro markets, and no retail or brand marketing experience, the clear choice was made to market a commodity product.

The plant will need to utilize a majority of the milk supply to reap trucking saving for the farmers, while also being appropriately sized to achieve a competitive economy of scale compared with competitors. The market for products needs to be sizable and growing to limit market risk for the farmers.

"Bottom Line: We discovered that the

world market for dairy powders and proteins was huge and growing rapidly, mostly driven by the rising wealth in countries like China," Ellis said.

"Additionally, we found a partner willing to provide us with their state of the art technology."

The project

will allow for the use of current and future technology, while also hopefully encouraging collaboration with food scientists at Cornell University, for research and development of new products and student education.

While erection of the building is still underway, the vision of CMI is to be a respected and trusted global source of the highest quality dairy ingredients. As with most successful companies, CMI will be employee and customer centric, in an effort to build a profitable dairy company that will sustain their farmers and employees for generations to come.

"We desire to be an employer of choice in the region and will do so by creating a work environment where employees are welcomed, challenged, supported, and know that their contributions are making a difference," Ellis said. He is enthusiastic about the intelligent, hard-working and motivated employees already on staff. "This core group of exemplary employees will become our most fierce competitive advantage."

These local farmers and owners are utilizing local talent, who will retain their profits in the local community. CMI has a long list of goals to obtain, with the most important one being to utilize all of the milk from Cayuga County farms, which in turn will allow for growth in the future, and eventually incorporate the ability to balance the member's milk supply. CMI will encourage and pay for the highest quality milk from its members. □

